CHAPTER 9

ILLITERACY AND THE LABOUR MARKET

Illiteracy and Poverty

The brief overview of Canadian economic history presented in the foregoing chapter suggests that it was the capitalist economic structure which was. responsible for the existence of both, illiteracy and poverty among what has been termed the surplus population in the 1950's and 1960's period in Canada. In more formal terms, the economic structure is the independent variable and illiteracy and poverty are dependent ones.

Clearly, on its face this conclusion contradicts the liberal view. However, adherents of the liberal perspective might reply that this argument from historical data does not negate what appears to be a solid fact: i.e. that lack of literacy and numeracy skills is a significant obstacle to desirable employment for the poor. Regardless of the history of the genesis of poverty, the movement of the poor into better jobs appears to depend on their receiving education and training. Adherents of this view would point out that since the 1950's, large numbers of jobs at higher skill and education levels have become available, and that even in. 1982, in the midst of a recession, many such jobs cannot be filled for lack of sufficient skilled workers. With education and training, presently unskilled and ill-educated workers could take advantage of them. Thus, even if it is conceded that illiteracy is not a long-range or fundamental cause of poverty, it can still be seen as a short-range or immediate cause of considerable importance.

We will now critically weigh this argument--i.e. that there exists a short-range or immediate casual relationship between illiteracy and poverty. To do so, we must refine our analysis of the capitalist economic structure and focus on a single crucial institution within it: the capitalist labour market.

Dual Labour Markets

We can begin by pointing out an important change that took place in this institution as a result of the intensification of the uneven development of economic sectors in the 1950's: i.e. the emergence of two distinct markets for labour in Canada where there had previously been only one. This Is often referred to as the

phenomenon of "dual" or "segmented" labour markets.[1] On one hand, workers in the “primary” labour market competed for relatively high paying, secure, usually unionized jobs in capital-intensive "monopoly" sector industries like automobiles, steel, petrochemicals, etc. On the other hand, workers in the "secondary" labour market were limited to competing for low-wage non-unionized, insecure and often physically exhausting work in the labour-intensive "competitive sector", including jobs in personal services and in low-wage manufacturing (as well as the most menial positions in monopoly sector industries).[2]

The two markets draw on two relatively separate and distinct labour pools, and the barriers to movement between the markets are high---few who begin their work careers In the secondary labour market can ever expect to attain permanent positions in the primary labour market.[3] Thus, while the 1950's and 1960's were a period in which the working class as a whole enjoyed unprecedented prosperity, this average rise in living standards concealed what Leo Johnson sees as a pattern of increasing disparity between rich and poor workers and a rapidly declining level of purchasing power among lower income earners. [4]

Education

The surplus population was, and still is, overwhelmingly concentrated in the secondary labour market. Adherents of the liberal perspective have emphasized the role of education and training deficiencies in explaining its confinement there. This is the basis of their view that low educational attainment causes poverty. They would point to the fact that in 1971, for example, the job categories accounting for 64.7% of male Canadian workers with grade 8 or less were largely located in the low-wage secondary labour market: services (guards. watchmen, cooks, waiters, kitchen helpers, launderers, janitors, etc.); construction trades, farming and related; processing; sales; and transport equipment operating (taxi drivers, truck drivers, deliverymen, etc.) [5]

However, a report of a Canadian organization, the National Council on Welfare, entitled Jobs and Poverty, [6] rejects the liberal contention that the primary obstacle to the movement of workers from the secondary labour market (what the report calls the labour market at “the margin of our economy and society”) into the primary labour market (the “normal” one) consists of the personal characteristics of those workers, particularly their lack of education and training:

> The reason for the situation of the working poor may seem simple and obvious.... Although it is tempting to seek. an explanation in terms of the deficiencies of Individual workers---their low educational achievement or their lack of skills---the answer doesn't lie here.
>
> Instead we must examine the labor market itself, how it is structured and how it operates....for hundreds of thousands of low-income workers (the) normal labor market is almost completely alien....They work in a distinctly

> different labor market .... a market on the margin of our economy and society.[7]

The report suggests that the structural barriers which prevent movement between the two markets cannot be explained according to the potential productivity of secondary workers or other job-relevant factors. A large number of the jobs in the primary labour market could be performed by many of those who are now trapped in the secondary labour market, but these workers are never given the opportunity to do so. For this reason, their confinement to the secondary market cannot be attributed to their lower levels of education and training. Let us examine evidence for this view.

Barriers to Primary Labour Market Employment

It cannot be denied that cognitive skills (like literacy and numeracy) and technical abilities as imparted by schooling and training programs are highly important for modern industrial production processes, office practices, etc. Obviously, these cognitive and technical skills can be very important in the determination of Income and occupation levels. For example, physicists, health care professionals and machinists are workers who possess highly specialized abilities which to a considerable extent determine their suitability for their jobs and the salaries they receive. However, Bowles and Gintis argue that occupations like this are relatively atypical in terms of the sophistication of the skills required and the scarcity of these skills in the workforce. They suggest that the mental-skill demands of most jobs---including those in the primary labour market---are quite limited, and in the case of technical skills, the possibilities for gaining them on the job are usually substantial. [8]

Credentialism

In spite of this, according to the National Council on Welfare, the education and skill requirements for entry into jobs in the primary labour market are high---unrealistically so. With regard to skill and experience qualifications, the Council report states:

> For example, previous experience may be called for even though any competent person could learn the job in a few days, or a very specialized skill might be demanded although it's not used in the work. Even when the applicant is perfectly capable of doing the job, if he can't meet the inflated requirements, he won't get hired.[9]

The Council report makes special mention of what it sees as unreasonably high education requirements for primary jobs. It states that "educational requirements, in particular, often bear little or no sensible relation to the skills and aptitudes needed for a job".[10]

According to sociologist Ivar Berg in his influential study subtitled The Great

Training Robbery, educational requirements for jobs in the U.S. have risen much more quickly since the 1950's than have net changes in skill requirements for them. This inflation of educational requirements, termed “credentialism”, has become a pervasive phenomenon across North America. [11]

For example, in a 1971 study, Rex Lucas refers to the effects of credentialism on employment in mines, smelters, paper mills, textile mills, sawmills, and fabricating plants in Northern single-industry towns in Canada. He points out that while the content of the average jobs in these industries requires no more than basic literacy--and older employees often lack even this--employers have recently begun to demand proof of attainment of 9, 10 or more years of schooling from prospective employees. Lucas states:

> To the outsider, these educational requirements are admitted to be extravagantly high, and to have no relationship with the jobs to be performed... Thus one finds the incongruous situation that sons without a senior matriculation could not be hired despite the fact that their illiterate fathers were employed by the same company.[12]

Similarly, Harry Braverman quotes the representative of a large U.S. employer who reports that:

> “Most factory type jobs require only 6th grade competency in arithmetic, spelling, reading and writing, and speaking,” we are told by the personnel director of the Inorganic Chemicals Division of the Monsanto Chemical Company. “Too often.” he continues, “business has used the requirement of a high school diploma or certificate as an easy means of screening out job applicants.”[13]

In a study carried out for the Ontario Economic Council on the importance of basic reading, writing, speaking and mathematics skills in an Ontario city, Hall and Carlton present evidence which calls into question widely held views of the functional necessity of these skills in actual work settings. [14] Based on interviews with subjects employed in jobs which require a high school diploma, they found that only the most elementary mathematics is used in bank teller positions (grade 6 competency is sufficient), that the writing done on the job application form may be the most demanding writing assignment that incoming retail clerks will ever be expected to perform, that grade 5 mathematics is all that is used by many office workers, and that reading, writing and mathematics skills are seldom required in many manufacturing jobs in automated plants--and then these can often be avoided. The authors of the study conclude that “talking and listening skills” are more important than the conventional “three R's”. They say, "formal language skills are a minuscule component of most of the jobs we have explored".[15] In spite of this, employers continue to demand evidence of high levels of competency in language skills--as represented in a high school diploma--for the jobs.

Relaxed Requirements

Consistent with this observation, i.e. that the actual content of many jobs involves only very basic literacy and numeracy skills, the report of the National Council on Welfare suggests that when major corporations have relaxed requirements for educational credentials they have had considerable success in hiring and retaining so-called "problem" and "high-risk" employees.[16] For example, sociologist Edward Banfield chronicles the experiment of the IBM corporation in locating an electronic components fabricating plant in the Bedford-Stuyvesant area of Brooklyn, New York. The company hired local residents, mainly impoverished Blacks. Little or no emphasis was placed on the credentials or skills of the 195 employees:

> In evaluating applications, no importance was attached to lack of schooling. An employee had to be able to read and write (although not necessarily well enough to be able to fill out an application form; assistance was provided for that when necessary), but no on was disqualified for lack of a grade school educaticon.[17]

The operation of the plant proved to be both efficient and profitable.

Michael Piore, one of the originators of the dual labour market thesis, believes that "a portion--perhaps a substantial proportion" of the more technologically sophisticated and complex work of the primary labour market could be organized in such a way that it could be performed by relatively less well educated and less skilled workers who are presently confined to the secondary labour market. There are no inherent technological barriers to this. As Piore puts it, “the distinction between the primary and secondary jobs is not, apparently, technologically determinant”.[18] For example, we can point to instances where high-skill work Is transferred by employers from high-wage regions to low-wage areas in North America and the Third World, where it is broken down into simpler operations and performed by unskilled, often functionally illiterate, workers.[19] Such examples confirm Plore's belief that employers have a considerable degree of latitude in the mixture of skill levels and technology available to them at the same level of efficiency and profitability. Therefore, the denial of access of secondary workers to the primary market cannot be adequately explained through reference to greater inherent technological sophistication of the work.

Summary

To summarize the evidence which has been presented on the nature of education and skill barriers to primary labour market employment, it appears first, that the educational requirements for many jobs are unrealistically high and do not reflect the actual, and often surprisingly unsophisticated, reading, writing and computing tasks that the jobs entail; second, that business and industry have made successful use of workers with low levels of educational attainment in experiments in which they reduced customary qualifications for employment; and third, that much of the work that is

presently performed by workers in the primary labour market could be organized for less skilled and less well educated secondary workers at the same level of profitability.

Therefore, even though it must be recognized that a substantial portion of work in Canada remains beyond the capacity of those who lack full mastery of fundamental literacy and numeracy skills, it appears that employers in the primary labour market could make much greater use of less skilled and less educated workers than they presently do, and this includes many workers who are termed functionally illiterate. While low educational attainment is one obstacle to the integration of secondary workers into the primary market, it is not the most important one. This provides confirmation for the conclusion of the National Council on Welfare that:

> The conventional wisdom that the working poor are stuck in their unrewarding jobs because they lack the education, work experience, aptitudes and skills that are needed in the normal labour market...may be valid for some individual workers, but it is not sufficient to explain the situation of the working poor as a whole.[20]

Barriers to Primary Jobs: Non-Marxist and Marxist Views

So far, it has been argued that we cannot adequately account for the confinement of the surplus population to the low-wage secondary labour market as adherents of the liberal perspective have done, i.e. through reference to their low level of education and training. However, if this is true, we are left with the question as to the identity of the non-job-relevant factors which can account for their entrapment. Here we must both explain why skill and education requirements for primary employment have become inflated, particularly as indicated in the phenomenon of credentialism, and identify other structural barriers preventing the movement of secondary workers into the primary market.

Non-Marxist Views

Non-Marxists have offered several explanations for the practice of credentialism. For example, it is thought that employers have increasingly resorted to the use of educational credentials as a screening device for prospective employees, even where the standards are inappropriate for the technical content of the jobs, because they lack a better means of discriminating among a large pool of otherwise equally qualified candidates (in which case education serves as a handy, if arbitrary, sorting tool);[21] or because they are convinced that those with higher educational attainment make better employees, regardless of whether the job content requires it;[22] or finally, because young people have sought higher qualifications in the belief that it will improve their employment opportunities, and employers have had to raise their educational standards as a defensive maneuver (thus creating an inflationary spiral). [23]

Apart from inflated requirements for education and skills, another1 class of non-job-

relevant barriers to primary sector employment identified by many writers are those based upon sex, race and age. In the case of racial and cultural minority groups, for example, it has been suggested that irrational racist sentiments motivate employers to discriminate, either because they themselves are racist, or because many of their employees possess such sentiments, and they must discriminate to avoid negative sanctions.[24] Sexism and ageism are seen as similar powerful and prevalent cultural prejudices which operate In much the same way.

A Marxist Outlook

While each of these explanations undoubtedly possesses validity, they offer only partial and ad hoc answers, and taken together, do not address the question of the persistence of the dual labour market as a totality. For their part, Marxists would insist that the problem of the dual labour market in Canada, and the role of racism, sexism, ageism and credentialism in its persistence, can only be understood through reference to a larger political economic process of which It is one manifestation (which was explored above): the production and reproduction of a surplus population by the capitalist economic structure. They would point out that employers in particular, but also unionized primary labour market workers, possess considerable vested economic interests in the relegation of certain jobs to a low-wage secondary labour market and in the perpetuation of a mass of dependent and exploitable "surplus" workers to fill them. For example, Cy Gonick asserts that employers have not allowed secondary workers in primary market jobs since World War II because they “have a vested interest in preserving the prevailing arrangement”.[25] Similarly, political economist David Gordon argues that "the standard operating procedures for channeling workers among the two markets have ... great utility to both primary and secondary employers". [26]

We will now explore the nature of this "great utility" and the means which are employed to perpetuate the secondary labour market. First we will examine the role of employers, and then the role of primary sector employees.

The Benefits For Employers from the Dual Labour Market

The substantial benefits derived by employers from the persistence of the low-wage secondary labour market and the continued existence of a “surplus population” stratum to inhabit it can be placed in two major categories: direct economic gains, and gains from the reduction of working class militancy. As for the first category of gains, economic ones, we have already seen that as many as a third of the job slots in the Canadian economy paid poverty-level wages or lower in 1971. Therefore, the workers disqualified from more desirable primary labour market employment and forced to accept low-wage jobs cannot be considered marginal to the economy--they are integral to it. According to Michael Piore, the poor “have economic value where they are...”[27]

This value especially accrues to employers in low-wage service industries and in labour-intensive manufacturing, who are able to cut their labour costs to a minimum by

hiring "excluded" workers and paying them substandard wages. However, even large, capital-intensive manufacturing employers periodically make use of secondary workers. For example, owing to the vagaries of the business cycle, many such employers depend from time to time on the practice of sub-contracting certain types of work to employers in the secondary labour market as a means of shifting the costs of flexibility in their highly capital intensive operations outside of the company.[28] At other times, these employers may find it advantageous (e.g. to avoid union pressures) to close down their operations in high wage areas and move them to underdeveloped regions. in Canada, the U.S. or the Third World, where they hire secondary workers.[29] Finally, the large scale petroleum or hydro-electric “mega-projects” organized by the capitalist state in concert with large corporations periodically require small armies of unemployed and underemployed secondary workers who are able to move quickly to inaccessible sites (e.g. in the North), and who need not be retained when the projects conclude.[30] Overall, the secondary labour market provides a source of profitability and economic flexibility to employers in Canada.

Militancy

The other category of benefits to employers from the existence of the secondary labour market and a surplus population to inhabit it is in the prevention or defusing of working class militancy. For example, by maintaining a sharp disparity in the job security and economic rewards accorded primary and secondary workers, employers encourage the development of an elitist consciousness among the more privileged primary workers.[31] This status consciousness can be manipulated to disrupt working class solidarity around common grievances. For instance, capitalist political elites can count on certain segments of the labour movement, termed the "aristocracy of labour", to support pro-business policies and legislation.

As well, the existence of an impoverished stratum of unorganized workers, often forced to accept work regardless of the pay or conditions, exerts a constant pressure on organized primary workers and serves as a powerful object lesson during times of collective bargaining. It Is a factor which restrains militancy and holds down wage settlements.[32] For their part. employers enhance this short-range antagonism between the two strata of the working class in potent "divide and rule" tactics. Marxist sociologist Charles Anderson states:

> The unskilled and powerless surplus, often desperate to the point of starvation, has been brutally utilized as an Instrument to undercut organized labour.[33]

For example. we may point to the practice of employers in Canada of using highly vulnerable secondary workers as “scab” labour to undercut the position of unionized workers or workers attempting to organize into a union. This is particularly effective where members of minority groups are employed in situations where striking workers are largely of another group, e.g. Anglo-Canadians. This practice

superimposes a dimension of ethnic hostility on what is fundamentally a class issue, thereby deflecting grievances and passions which would otherwise be directed toward employers into ethnic conflict. According to Anderson, tactics like this are often effective, and:

> organized labor have up to now largely reacted precisely as capital has intended--with mutual recrimination and hostility, narrowmindedness and selfishness of purpose.[34]

In view of the considerable restraining influence which the divided labour market exercises on working class militancy, Anderson concludes that "a meeting and understanding of unorganized surplus and organized labour would be a serious blow to capital".[35] Therefore, employers have a powerful vested interest in preserving the separation.

Maintaining the Divided Labour Market

Given that the secondary labour market is of considerable importance to employers, both in terms of economic benefits and in terms of strengthening their position vis a vis the working class as a whole, it is not surprising to find that they engage in various practices which serve to maintain the status quo. These include the maintenance of high barriers to entry into the primary labour market, resistance to government efforts to ameliorate the condition of secondary workers, and the suppression of efforts to unionize secondary workers.

Discrimination

We have already discussed how the maintenance by employers of arbitrarily high, thus discriminatory, education and skill requirements for entry into better paying and more secure primary jobs serves to perpetuate a divided labour market. To these employment barriers we can add a second set which are often less explicit, but no less powerful--i.e. those of sex, race, ethnic or cultural background and age. According to the Council on Welfare, "accent, appearance, skin color, sex, age--these often serve as the real test of a person's 'employability'.[36]

Employers benefit in a direct economic sense from discrimination on these bases. or example, the sex-typing of jobs is a case in point. The designation of certain occupations, e.g. clerical jobs, as "women's work" justifies the payment of a low wage.[37] According to Piore:

> discrimination of any kind enlarges the labor force that is captive in the secondary sector, and thus lowers the wages that secondary employers must pay to fill their jobs. Such employers thus have an economic stake in perpetuating discrimination.[38]

A second direct benefit of discrimination for employers is a social control of the workforce, i.e. the maintenance of obedience and docility among those in subordinate positions. That is, by exclusively hiring males from the dominant ethnic and racial group who possess substantial (if unnecessary) educational credentials for managerial and supervisory positions, employers appeal to the broad cultural prejudices which say that it is "right" that white, Anglo-Saxon males who are "smarter" (i.e. have substantial educational credentials) should be the ones to exercise authority. In this way, employers add a considerable measure of legitimacy to the higher offices in an organization. That is, subordinates are less likely to question the control and direction exercised over them than would be the case if say women, members of minority groups, or those with adequate, but less substantial, educational credentials were hired for such positions. Thus, racist, sexist and credentialist hiring practices serve as valuable resources for employers in the social control of the workforce.[39] At the same time, these practices substantially reinforce racism, sexism and credentialism in the society, and perpetuate the subordinate position of excluded groups.

Of course, even if employers benefit from discriminatory practices, they did not 'invent' credentialism, racism, sexism and ageism--these are deep cultural prejudices. However, as one author puts it, "if not actually created by employers, (they) have at the very least been vastly strengthened by them". [40] Similarly, Bowles and Gintis argue:

> The broader prejudices, of society are...used as a resource by employers in their effort to control labour. In this way, the pursuit of profits and security of class position reinforces racist, sexist and credentialist forms of status consciousness. ..is thus not an expression of irrational and uninformed employment policies, subject to correction by "enlightened" employment practices and social legislation. Less still are those distinctions likely to be eliminated by the competition for "good" workers among profit maximizing capitalists, as traditional economic theory would predict. Quite the opposite. The policy ... is used by , employers to control workers in the pursuit of profit.[41]

Resisting Policies

A second set of employer practices which serve to maintain a divided labour market are the various forms of resistance to governmental policies and programs which would either reduce the size of the surplus population, reduce the incentive of members of the surplus population to accept low-wage work, or would improve their pay or conditions of work. According to Piore:

> Analysis of the dual labor market suggests (that) because the “poor” do participate in the economy, certain groups are interested in that participation and how it occurs. Policies aimed at moving the poor out of the secondary market work against the interests of these groups and therefore are in danger of being subverted by them .... there are groups

> actively interested in the perpetuation of poverty. It is these interests that make new institutions created to work with the poor in the labor market subject to threats of capture as well as of rejection.[42]

Employers, and organizations representing their interests, routinely resist and subvert measures to improve the lot of secondary workers, including improvements in minimum wage standards, increased unemployment insurance benefits, and other social welfare payments and services. [43] While one issue for employers is the costliness of such measures, a more important one is that they are seen as undermining the necessity, and thus the motivation, of workers to accept low wage employment.[44] Equal pay policies with regard to the participation of women in the labour market and human rights legislation regarding the employment of racial and cultural minorities are similarly resisted, and for the same reasons.[45] With specific reference to literacy education, some of the employers appearing before the 1979 inquiry into educational leave for workers in Canada stated that they would not encourage or assist their employees to acquire literacy education because, in the words of the inquiry report, “They fear that individuals who upgrade their education will acquire the desire and motivation to move to more remunerative and rewarding employment”[46]

Obstruct Organizing

A third set of means resorted to by employers to preserve the secondary labour market is the direct suppression of attempts on the part of secondary workers to organize into unions, and where they have already done so, to extend their power.[47] The struggles of workers from the surplus population in Canada have historically been, and continue to be, bitter and explosive owing to the harsh resistance of employers. For example, this has been repeatedly demonstrated in labour struggles waged by groups like hospital workers and farm workers, and particularly in union fights where women and immigrant workers are involved. In these cases, employers and the capitalist state resort to "bare knuckles" tactics of a type they seldom use with workers in the primary labour market.[48]

We have pointed out that because of the substantial benefits accruing to employers from the continued existence of the secondary labour market, including those of direct economic gain and enhanced social control over the working class, they engage in several categories of practices to maintain it. These include erection of barriers to entry Into the primary labour market, resistance to government measures to improve the lot of secondary workers, and suppression of attempts to unionize secondary workers. This evidence suggests that Gonick and Gordon are correct in their belief that employers have powerful vested interests in a divided labour market, and are to a large degree responsible for its perpetuation.

However, employers are not alone in benefitting from the plight of secondary workers. Gonick points out that workers in the primary labour market also gain from it.

What are the nature of their gains, how do these workers help to perpetuate the divided labour market, and how significant are these practices in comparison with those of employers?

Primary Workers and the Dual Labour Market

Clearly, unions had little or no independent role in the creation of the divided labour market. Leo Johnson argues that the main factor in the rise of such a market was "the movements of capital". [49] Dramatic increases in the capital intensity of industries like mining, steel, auto and chemicals in the 1950's gave rise to the need for a stable, permanent labour force. Employers were willing to cooperate with unions to achieve this because owing to their monopoly position, they could pass the costs of higher wages on to customers in the form of higher prices for their products. As a result, strong unions were able to develop in monopoly sector industries in the 1940's and 1950's. In contrast, employers in labour-intensive competitive sector industries like retail trade, personal services and non-durable manufacturing could not unilaterally raise prices. Consequently they resisted unionization through such expedients as going out of business, moving to low-wage regions, or threatening to do so. Thus, while the uneven development of labour unions across economic sectors was the immediate cause of the formation of a dual labour market, the underlying cause was a factor which was beyond the control of unions--the movements of capital.[50]

Reinforcing Barriers

However, even if the labour movement was not responsible for the creation of a divided labour market, union practices have had some influence in reinforcing the barriers betwe en the primary and secondary markets. That is, while unions have won concessions like improved pay, benefits, working conditions, job-security, opportunities for promotion, etc. through hard and bitter struggle, as the history of the union movement in Canada attests, in the course of winning and preserving these gains unions have established a variety of practices and policies, some of which work to the disadvantage of secondary labour market employees seeking entry into the primary labour market. For example, a minority of unionized workers in Canada belong to craft unions. They derive their power vis a vis employers by restricting entry into particular occupations, e.g. construction trades, and have won "closed shop" agreements which oblige employers to hire only union members. Sometimes the requirements for entry into these unions are highly restrictive, and work against low-Income applicants. These include high initiation fees, high educational standards, or steep qualifications for entry into apprenticeship programs. [51] Where such unions maintain hiring halls, some of their policies may be overtly discriminatory against members of particular minority groups. [52]

Most unionized workers in Canada. belong to industrial unions, which have no such influence in hiring decisions. However, some of their policies may also work against the interests of secondary workers. For example, seniority provisions in union

contracts tend to protect longer-term employees at the expense of those who are newly hired, often including groups like minorities and women.

Although there are significant exceptions, established unions have been reluctant to tackle what promises to be a long, difficult and expensive task---the building of unions among unorganized workers--particularly in sectors employing large numbers of minorities and women.[53] In addition, where unions have already been organized among them, the leadership may not be favorable to their interests. For example, Laxer points out:

> Unions themselves have often been guilty of superior attitudes. Even in locals made up largely or even predominantly of immigrants. they have often had little voice, and union leaders in immigrant-dominated industries--particularly in the building trades craft unions--are often English-speaking and native-born.[54]

Secondary Influence

These examples suggest that unionized workers bear some responsibility for the continuing plight of secondary workers. However, against this conclusion must be balanced evidence that shows their role has been a secondary one in comparison with that of the capitalist class. For example, it must be recognized that the union movement is numerically quite small--only one quarter to one third of Canadian workers belong to unions. As well, only a few of these unions have extensive influence in hiring, firing and other personnel decisions. Overall, according to Gonick, the economic power of unions is quite limited in comparison with that of employers:

> Lest I have overdrawn the economic strength of primary workers, I hasten to add that they seem strong only by comparison to "dirty" workers. Even the most powerful trade unions have failed to protect the purchasing power of their members through most of the inflation spiral and in North , America, at least, they have been paralysed in the face of plant closures and mass layoffs.[55]

Moreover, according to Gonick, while primary workers have some short-range interests in the continued subordination of secondary workers, their long-term interests are in the elimination of the secondary labour market and the poverty which accompanies it. For example, the costs of poverty are borne heavily by primary workers--it is this stratum that supplies the bulk of the tax revenues from which social welfare, health and other government programs for the poor are financed. As well, the power of the working class as a whole is significantly impaired by the divided labour market:

> In the final analysis, primary and secondary workers face the same class enemy. They are separated and isolated from each other because

> employers and sometimes trade unions find this arrangement profitable. Their continued separation only assists in their mutual exploitation.[56]

The division weakens the labour movement as a whole,, and so reduces the economic and social gains which could otherwise be made. For example, we saw above how employers are able to use secondary workers to undercut the position of primary workers in labour struggles.

This evidence suggests that there is only one party which consistently benefits in both the short and long term from the poverty and working class disunity which results from the divided labour market-the capitalist class. It is the main beneficiary, and the main obstacle to ending it. In a previous section we found that the liberal hypothesis that there is a short-range or immediate sense in which illiteracy causes poverty is incorrect--i.e. the primary obstacles to the entry of secondary workers into the primary labour market are not those of education and training. To that we can now add the conclusion that the most important factor underlying the barriers between the two markets are the actions of employers in pursuit of their class interests.

Summary and Analysis

The evidence offered in the present chapter suggests that lack of literacy or job skills is not a primary cause of poverty in Canada, either in a long range or in a short range sense. While it is true that the poor have lower attainments of education and training, this fact cannot explain their economic plight.

The liberal perspective is only able to sustain its notion of a causal role for illiteracy in poverty through a peculiar sort of theoretical "sleight of hand", in which the inner workings of the capitalist economy disappear from view. For example, an important set of economic actors, the capitalist class, vanish, and their actions and decisions in the unbridled pursuit of profit show up only as part of what is represented as an unproblematic background assumption: the inevitable advance of technology. Once the capitalist economy and the uneven and exploitative manner of its operation are implicitly ruled out of bounds to critical analysis in this way, the only alternative means of establishing causation for the problem of poverty is to focus on the real and presumed deficiencies of the poor--particularly their low level of attainment of education and job skills.

Secondary Factor

In contrast, those adhering to the critical perspective express an alternative, more accurate conception--calling illiteracy a "reflection". [57] "symptom"[58] or "stigma"[59] of poverty. What these terms express is the view that illiteracy is secondary to, and to a large degree derived from, the dynamics of class inequality, and does not possess an independent causal significance. Serge Wagner refers to illiteracy as:

> one of the symptoms of a society in which the distribution of wealth is unfair, or, to paraphrase Archbishop Helder Camara, of Brazil, the affluence of some is based on the poverty of others .... [60]

At the same time, adherents of the critical perspective recognize that illiteracy helps to reinforce inequality to some degree. For example, Belanger refers to illiteracy as a factor helping to. "Maintain" -the "structures of inequality".[61] That is, lack of literacy skills is one grounds for the disqualification of adults from higher paying and more. secure jobs. However, it is not seen as a primary basis. The concept of reinforcement is much weaker than that of causation, suggesting that educational inequality is a dependent phenomenon, itself produced by uneven economic development, but in turn mediating it, i.e. shaping its impact on the labour force.

Strange Premise

We saw in an earlier chapter that the liberal perspective holds that a "remediation" strategy can break what is seen as a "vicious circle" of poverty. It is believed that when the productivities of the poor are raised through education and training, their employment and income prospects will also be improved. With an 'uplift' in their material circumstances, and with 'life skills' training, they can be expected to leave the poverty subculture and join the occupational and cultural mainstream. Thus, the incidence of poverty and unemployment can be expected to decline.

However, the critical perspective, building on evidence such as has been put forward in the present chapter, leads us to a quite different expectation. Athur Hussain points out the "strange premise" upon which the liberal remediation strategy rests:

> It is a common observation that the lowest paid are also those with the lowest education ... and that the well paid are usually also the well educated. From this observation it is deduced, usually implicitly, that educational inequality is one of the main causes of economic inequality. This then leads to the belief that economic inequality can be, at least in part, reduced by widening access to educational institutions and taking positive measures to ... reduce educational differences. However well intentioned and noble the belief may be, it rests on a strange, but unstated, premise that somehow the provision of more education will lead to the disappearance of low paid occupations.[62]

Hussain's point is that the architects of the remediation strategy failed to take into account the substantial barriers to the elimination of the low wage secondary labour market which are rooted in the economic structure.. Adherents of the critical perspective hold that in the absence of fundamental changes in this structure, merely increasing the education and training attainments of the poor will not eliminate the secondary labour market or enable the poor to cross over in large numbers into the primary labour market.

In fact, this prediction is borne out in the case of both the U.S. and Canadian Manpower programs, as initiated in the 1960's. Surveying the U.S. experience, Howard Wachtell writes:

> The failure to construct public programs based on an analysis of the causes of poverty is the reason for the ambiguous accomplishments of public policy in the 1960's. Completers of manpower training programs have become members of the working poor. The median wage for all trainees between 1962 and 1967 was $1.74 per hour--$1.60 for blacks.[63]

Similarly, in reference to the Canada Manpower Training Program, Pierre Dandurand observes that:

> the program serves a clientele which has a very low income and its trainees return to a category having only a slightly higher level of income. For example, according to an estimate of the Economic Council of Canada, about 50 per cent of the trainees were below the threshold of poverty before they started the training program, and, after the training, 40 per cent were below that threshold. The trainees therefore take up low paid jobs, when they find employment at all.[64]

Wachtell concludes that "Poverty persists because it derives from a low-wage labour market", and this market is of extreme utility within a capitalist economy. [65]

Anti-Poverty Strategy

If adherents of the critical perspective are correct in their argument that the primary cause of poverty is not located in any real or presumed incompetencies of the poor, but rather stems from the incapacity of the capitalist economic system either to generate sufficient decent jobs or to distribute them evenly across the labour force, what then constitutes a sound anti-poverty strategy? Clearly, such a strategy would alter the economic structure in a fundamental way. To help clarify what the nature of such a strategy would be, let us look at one alternative that would necessarily be rejected.

Adherents of the critical perspective would reject as inadequate what Henry Levin calls the "welfare capitalism perspective".[66] Adherents of this perspective call for government intervention in the economy to eliminate the secondary labour market through means like massive state job-creation programs and legislative measures to reduce wage differentials in the private sector, e.g. through improved minimum wage laws. According to Levin, the welfare capitalism perspective:

> accepts the basic framework of monopoly capitalism while requiring the state to compensate for the failure of capitalism to equitably fill such human needs as employment, health care, education, and income

maintenance.[67]

In Canada, the proposals of the social democratic New Democratic Party are heavily imbued with this philosophy.

While not rejecting the substance of these reforms, socialists like educational economist Levin criticize them as partial and inadequate, as "merely an attempt to address the symptoms of the problem rather than its cause", which he identifies as capitalist economic institutions.[68] On very practical grounds, the present inflation/unemployment crisis of Western capitalist economies calls into serious question the capacity of North American governments to actualize the welfare state ideal --particularly in the expanded form suggested by those who see it as a solution to poverty. Moreover, given the vested interests of the capitalist class in maintaining the conditions for profitable accumulation, it can be expected that sweeping welfare state measures- would be subjected to overwhelming pressures from this class, including attempts to erode, co-opt and wreak them. Finally, as Cy Gonick points out, a fundamental problem with this approach is that within the context of class society, a social democratic party attempting to carry out such a program through parliamentary means:

> must present itself as a respectable force that can manage society in an orderly way, that controls the masses rather than helping them to self-determination and self-rule. By conceding reforms from on high, it perpetuates the dependency of the working class confirming the powerlessness of working people rather than liberating them from external controls .... Herein lies the ultimate difference between reformism and socialism. To the moderates, reform means the bestowing of things -- higher wages, pensions, social services -- on a mass of people who are kept dispersed and impotent. What matters to socialists is not simply the extension of more and more of these "things", but the sovereign power of workers to determine for themselves the conditions of their social life.[69]

The anti-poverty strategy which is compatible with the critical perspective on illiteracy is, in the short range, to support the struggles of working people for increased political, economic and cultural self-determination, and in the long range, to help translate these into a movement for socialism. As Levin points out, a "permanent, stable, and democratic solution" involves going beyond welfare capitalism to a socialist state:

> In such a state, the capital would be socially owned and managed with goals of equity in participation, employment, and social welfare replacing the motive of profit maximizing and private capital accumulation.[70]

In activating such a stragegy, adherents of the critical perspective join what Paul Belanger identifies as the world-wide effort to:

reinstate illiteracy and literacy training projects within the historical context of a complex phenomenon: the collective advancement of the masses. This will be a formidable task, involving, as it does, the majority of humanity which can neither read, nor compute how the weajth of the few is based on the poverty of the majority.[71]

NOTES TO CHAPTER 9

1. Cy Gonick, Inflation or Depression (Toronto: James Lorimer & Company, 1975), p. 151-157. See also David C. Smith, "The Dual Labour market Theory: A Canadian Perspective," Research and Current Issues Series No. 32 (Queen's University, 1976).

2. James O'Connor, The Fiscal Crisis of State (New York: St. Martin's Press, 1973), p. 13-16.

3. Gonick, op.cit., p. 155.

4. Leo A. Johnson, "The Capitalist Labour Market and Income Inequality in Canada" in John Allan Fry (ed.) Economy Class and Social Reality (Toronto: Butterworths, 1979), p. 163.

5. Government of Canada, Census, 1971, Labour Force (Ottawa, 1971).

6. National Council of Welfare, "Jobs and Poverty," (Ottawa: June 1977).

7. Ibid., p. 4.

8. Samuel Bowles and Herbert Gintis, Schooling in Capitalist America (New York: Basic Books, Inc., 1976), p. 114.

9. National Council on Welfare, op.cit., p. 23.

10. Ibid., p. 24.

11. Ivar Berg, Education and Jobs: The Great Training Robbery (Boston: Beacon Press, 1971).

12. Rex A. Lucas, Minetown, Milltown, Railtown (Toronto: University of Toronto Press, 1971), p. 117.

13. Harry Braverman, Labor and Monoply Capital (New York: Monthly Review Press, 1974), p. 438-439.

14. Oswald Hall and Richard Carlton, Basic Skills at School and Work, Occasional Paper 1 (Toronto: Ontario Economic Council, 1977).

15. Ibid., p. 201.

16. National council on Welfare, op.cit., p. 24.

17. Edward Banfield, "An Act of Corporate Citizenship," in Peter B. Doeringer (ed.) Programs to Emply the Disadvantaged (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1969), p. 43.

18. Michael Piore, "The Dual Labor Market: Theory and Implications," in David M. Gordon (ed.) Problems in Political Economy: An Urban Perspective (Lexington, Massachusetts: D.C. Heath and Company, 1971), p. 92.

19. Leo A. Johnson, "The Development of Class in Canada in the Twentieth Century" in Gary Teeple (ed.) Capitalism and the National Question in Canada (Toronto: University of Toronto Press, 1972), p. 173.

20. National Council on Welfare, op.cit., p. 23.

21. Braverman, op.cit., p. 438-439.

22. Berg. op.cit., chapt. 4.

23. Gregory D. Squires, Education, Jobs, and Inequality: Functional and Conflict Models of Social Stratification in the United States," Social Problems 24:4 (April 1977), p. 446.

24. Aaron Antanovsky, "The Problem: The Social Meaning of Discrimination," in Bernard Rosenberg, et.al., (eds.) Mass Society in Crisis (New York: Macmillan, 1964), p. 409.

25. Gonick, op.cit., p. 155.

26. David M. Gordon, Theories of Poverty and Underemployment (Lexington: Massachusetts: D.C. Heath and Company, 1972), p. 94.

27. Piore, op.cit., p. 93.

28. Michael Burawoy, "Toward a Marxist Theory of the Labor Process: Braverman and Beyond," Politics and Society 8:3-4 (1978), p. 300.

29. Johnson, "The Development of Class.....," op.cit., p. 173.

30. Gonick, op.cit., p. 156.

31. Gordon, op.cit., p. 79-80.

32. Charles H. Anderson, The Political Economy of Social Class (Englewood Cliffs, N.J.: Prentice-Hall Inc., 1974), p. 148.

33. Ibid., p. 152.

34. Ibid., p. 152.

35. Ibid., p. 152.

36. National Council on Welfare, op.cit., p. 25-26.

37. Gonick, op.cit., p. 154; see also Marilyn Power Goldberg, "The Economic Exploitation of Women," in David M. Gordon (ed.) Problems in Political Economy: An Urban Perspective (Lexington Massachusetts: D.C. Heath and Company, 1971).

38. Piore, op.cit., p. 91.

39. Bowles and Gintis, op.cit., chap. 3.

40. Michael J. Piore, "Economic Fluctuation, Job Security, and Labor Market Quality in Italy France and the United States," Politics and Society 9:4 (1980), p. 384. See also Harold Alden, "Racism and the Class Struggle," Masters Thesis, University of Western Ontario, 1974.

41. Bowles and Gintis, op.cit., p. 98.

42. Piore, "The Dual Labor Market", op.cit., p. 93.

43. Alvin Finlel, "Origins of the Welfare State in Canada," in Leo Panitch (ed.) The Canadian State: Political Economy and Political Power (Toronto: University of Toronto Press, 1977); National Council on Welfare, op.cit., p. 21; Ian Adams, The Real Poverty Report (Edmonton: M.G. Hurtig Limited, 1971), p. 102-105.

44. There is evidence that governments vary the size of welfare payments and caseloads to ensure a continuing supply of low-wage labour for the secondary labour market. For example, see Peter M. Butler, "Establishments and the Work-Welfare Mix," The Canadian Review of Sociology and Anthropology 17:2 (May 1980).

45. For example, see Lynn McDonald, “Equal Pay–How Far Off?” Canadian Dimensions 14-6 (May 1980).

46. R.J. Adams, Education and Working Canadians: Report of the Commission of Inquiry on Educational Leave and Productivity (Ottawa: Labour Canada, 1979), p. 206. Here it must be pointed out that preliminary results from a study of employers in St. John’s shows substantial support for literacy opportunities for workers. However, the sample was small–38 of 100 employers returned questionnaires. See Dianne Kelly, “Management Receptivity to Day Release Literacy Classes,” Literacy 5:2 (1980). Furthermore, the Chairman of the federal inquiry, R.J. Adams, has stated elsewhere that “many”who appeared before his commission who were aware of the extent of the problem of functional illiteracy among Canadian workers opposed immediate action, citing reasons like the costliness of such programs “in the current economic environment”, the belief that “Those people had their chance and if they didn’t take it, well that’s their fault, and “If my employees get more education they won’t be satisfied with their jobs or their wages”. See Roy J. Adams, “Day Release for Literacy Education,” Literacy 5:1 (1980). It appears that while support does exist among Canadian employers for literacy programs for workers, there is significant negative sentiment as well, and it is in part based on the class interests of low-wage employers.

47. For example, see National Council on Welfare, op.cit., p. 18.

48. An example is Ellen Tolmie, “Fleck: Profile of a Strike,” This Magazine 12:4 (October 1978).

49. Johnson, “The Development of Class.....,” op.cit., p. 174.

50. Ibid., p. 174.

51. National Council on Welfare, op.cit., p. 25; Adams, et.al., Real Poverty Report, op.cit., p. 56.

52. Scott Greer, Last Man In (Glencoe: Fress Press, 1959), p. 125-132.

53. Adams, et.al., Real Poverty Report, op.cit., p. 47-57.

54. Robert Laxer, Canada’s Union (Toronto: James Lorimer and Company, 1976), p. 25.

55. Gonick, op.cit., p. 157.

56. Ibid., p. 157.

57. Paul Bélanger, “Epilogue,” Literacy Discussion 5:4 (1974), p. 681.

58. Serge Wagner, “Literacy and Citizenship,” B.T.S.D. Review 3:2 (February 1975), p. 5.

59. D’Arcy Martin and Rick Williams, “Paulo Freire and Adult Basic Education in Canada, “B.T.S.D. Review 11:2 (November 1973).

60. Wagner, op.cit., p. 5.

61. Belanger, op.cit., p. 681.

62. Athar Hussain, “The economy and the Educational system in Capitalistic Societies,” Economy and Society 5:4 (November 1976), p. 419-420.

63. Howard M. Wachtel, “Looking at Poverty from a Radical Perspective,” The Review of Radical Political Economics 3:3 (Summer 1971), p. 15.

64. Pierre Dandurand, “The State and Labor Force Qualification: Manpower Training Programs for Adults in Canada” in Antonia Kloslowska and Guido Martinotti (eds.) Education in a Changing Society (London: SAGE Publications, Ltd., 1977), p. 226-227.

65. Wachtel, op.cit., p. 15.

66. Henry M. Levin, “A Decade of Policy Developments in Improving Education and Training for Low-Income Populations” in Robert H. Haveman (ed.) A Decade of Federal Antipoverty Programs (New York: Academic Press, 1977), p. 183.

67. Ibid., p. 183.

68. Ibid., p. 185.

69. Gonick, op.cit., p. 398.

70. Levin, op.cit., p. 185.

71. Belanger, op.cit., p. 682.